

**Testimony submitted by
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Wine and Spirits Wholesalers of Connecticut, Inc. (WSWC)
General Law Committee Public Hearing
March 8, 2022**

In **SUPPORT** of HB 5328, AN ACT CONCERNING THE DEPARTMENT OF CONSUMER PROTECTION'S RECOMMENDATIONS REGARDING THE REGULATION OF ALCOHOLIC LIQUOR and
In **SUPPORT** of HB 5330, AN ACT CONCERNING THE DEPARTMENT OF CONSUMER PROTECTION'S RECOMMENDATIONS REGARDING THE LIQUOR CONTROL ACT.

WSWC stands in support of the Department's two bills, HB 5328 and HB 5330. We believe the Department is making the necessary technical changes to the liquor laws to conform with the recent statutory changes that have occurred since 2019, including the addition of several new bottle sizes that have been approved by federal alcohol beverage authorities.

In partial **OPPOSITION** to **House Bill No. 5331**; AN ACT CONCERNING THE LIQUOR CONTROL ACT AND RELATED STATUTES.

H. B. 5331; This Bill proposes to eliminate the existing "Wine Festival Permits" and establish a new "Festival Permit" for alcoholic liquor. It is our assumption that the General Law Committee wants to expand the opportunities for "Festivals" sponsored by not for profits to go beyond just wine as a product and to include all forms of alcoholic beverages such as beer, spirits, mead and cider. WSWC has no objection to the concept so long as the same protections that were included in the existing Wine Festival Legislation located in Sections 30-37l; 30-37m and 30-37n, are included in the new "Festival Permit" language. A review of the proposed bill indicates that "out of state manufacturers are allowed to participate and sell alcoholic liquor at a "Festival". Unlike the current Wine Festival language in Section 30-37m(d) however, the proposed language DOES NOT require participants to sell alcoholic liquors that are "assigned to a wholesaler permittee in this state". WSWC believes that without this restrictive language, we are threatening the three tier system that Connecticut has been operating under for almost 90 years. The language as written would seem to allow an out of state manufacturer of alcoholic liquor to participate in a "Festival" and sell and ship alcoholic liquor from their out of state manufacturing facility direct to the consumer without going through any Connecticut wholesaler. Connecticut's three tier system has provided a safe, accountable and stable alcohol beverage system since the end of Prohibition. In

addition, it has resulted in a competitive alcohol beverage system that offers incredible choice and variety to the Connecticut consumer. Our state statutes have made only minor deviations from a three tier system in order to give fledgling alcohol industry start-ups, such as Connecticut Farm Wineries or craft breweries or distilleries, a chance to grow and flourish. The language in HB 5331 seems to grant ALL manufacturing participants in a “Festival” a chance to get around a pillar of our Connecticut alcohol beverage system. **WSWC urges the General Law Committee to make the appropriate language change.**

Who is the WSWC? The Wine & Spirits Wholesalers of Connecticut, Inc. was established in 1964 and since then has been the trade association representing wine and spirits wholesalers in Connecticut. The WSWC membership totals 56 and its members distribute the vast majority of wines and spirits sold in Connecticut. The members of the WSWC span a diversity of size, from very large to very small, but are all family owned businesses. Individually they employ as many as 230 employees and as few as one person working part-time. Collectively, they are a significant and integral part of Connecticut’s economy. The members of the WSWC:

- Contribute in excess of \$200 million dollars in direct and indirect benefits to the state’s economy
- Provide in excess of 1,700 direct jobs to Connecticut residents;
- Pay in excess of \$167 million dollars in wages;
- Pay in excess of \$60.2 million dollars in state excise taxes;
- Promote, market, sell, warehouse and deliver nearly 43,000 different brands; and
- Assist the Department of Revenue Services in the collection of Sales and Use Taxes in excess of \$141 million dollars annually.

The members of the WSWC are committed to ensuring that the best possible safeguards, to prevent the sale of beverage alcohol to minors, are in place and adults of legal drinking age consume beverage alcohol responsibly, while at the same time providing an efficient method of distribution, providing access to a wide variety of quality wine and spirits from all over the world.

Member Companies: Connecticut Distributors, Inc., Stratford, CT; Hartley & Parker Limited, Inc., Stratford, CT; Eder Bros, Inc., West Haven, CT; Allan S. Goodman, Inc., East Hartford, CT; Slocum & Sons, Inc., North Haven, CT; Northeast Beverage CT, Orange, CT; The Winebow Group, Wallingford, CT; Opici Family Distributing, Milford, CT

Respectfully Submitted,

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